## Message Text

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**ACTION NEA-10** 

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 NEAE-00 SSO-00

NSCE-00 USIE-00 INRE-00 AID-05 PC-01 EB-07 COME-00

AGR-05 OMB-01 /058 W

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O P 031420Z JUL 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 9689

INFO AMEMBASSY COLOMBO PRIORITY

AMEMBASSY DACCA PRIORITY

AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY KABUL PRIORITY

AMEMBASSY KATHMANDU PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY PARIS PRIORITY

AMCONSUL BOMBAY PRIORITY

AMCONSUL CALCUTTA PRUORITY

AMCONSUL HONG KONG PRIORITY

AMCONSUL LAHORE PRIORITY

AMCONSUL KARACHI PRIORITY

USLO PEKING PRIORITY

CINCPAC PRIORITY

USMISSION USUN NEW YORK PRIORITY

AMCONSUL MADRAS PRIORITY

CONFIDENTIAL SECTION 1 OF 2 NEW DELHI 8933

CINCPAC FOR POLAD

E.O. 11652: GDS TAGS: PINS, PINT, IN

SUBJ: ANALYSIS OF EMERGENCY: END OF THE FIRST WEEK

SUMMARY: OVER THE MONTHS AHEAD, MRS GANDHI WILL BE PRIMARILY INTERESTED IN CONSOLIDATING HER POWER AND DEMONSTRATING PROGRESS IN ECONOMIC REFORMS AND GOVERNMENT ADMINISTRATION. THE SUPREME CONFIDENTIAL

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COURT VERDICT ON HER CASE, THE LAW AND ORDER SITUATION

AND THE STATE OF INTRA-CONGRESS DISSIDENCE WILL CONTRIBUTE TO HER DECISIONS ON WHETHER AND WHEN TO LIFT RESTRICTIONS ON PRESS AND POLITICAL FREEDOMS, TO RELEASE DETAINED OPPOSITION LEADERS AND TO HOLD ELECTIONS AS SCHEDULED. GIVEN THE POLI-TICAL RISKS INVOLVED IN RETURNING TO THE STATUS QUO ANTE, SHE WILL BE UNDER PRESSURE TO CONTINUE THE "INTERNAL" EMERGENCY, EVEN IF RESTRICTIONS ARE RELAXED SOMEWHAT. THE PRIME MINISTER'S NEW AUTHORITARIAN CONTEXT CARRIES BOTH DISADVANTAGES AS WELL AS ADVANTAGES, THROUGH HER RESTRICTIONS, SHE MAY CAP THE IMPORTANT SAFETY VALVES THAT DEMOCRACY PROVIDED TO PLURALISTIC INDIA. POTENTIALLY HEIGHTENING RATHER THAN SUPPRESSING REGIONAL SEPARATISM. SHE MAY FIND IT INCREASINGLY NECESSARY TO APPOINT TRUSTED COLLEAGUES OR RELATIVES TO KEY POWER SLOTS, GRADUALLY DISSIPATING THE CONSENSUS APPROACH NEHRU STARTED IN THE 1950'S. AND ISOLATING IMPORTANT OPINION CENTERS. THERE ARE ALREADY SIGNS THT HER ECONOMIC AND BUREAU-CRATIC REFORMS MAY FACE THOGH SLEDDING. OUR IMPRESSION IS THAT MRS GANDHI IS FEELING HER WAY AS SHE GOES, AND KEEPING HER BROADER OPTIONS OPEN AS SHE NOVE FROM DECISION TO DECISION. OVER THE WEEKS AHEAD. WE WILL BE CAUTIOUS IN JUMPING TO CONCLU-SIONS ABOUT LONG RANGE IMPLICATIONS OF SHORE RANGE ACTIONS. END SUMMARY.

1. OVER THE MONTHS AHEAD, MRS GANDHI WILL BE PRIMARILY INTERESTED IN CONSOLIDATING HER POWER AND DEOMNSTRATING PROGRESS IN ECONOMIC REFORMS AND GOVERNMENT ADMINISTRATION. SHE IS STILL INTENT ON INSULATING HERSELF FROM THE FORCES DESCRIBED IN PARA 5 REFTEL THAT CARRIED THE POTENTIAL TO SHAKE HER HOLD ON INDIAN POLITICS. POSSIBLE DECISIONS TO RELAX THE LID ON POLITICAL AND PRESS FREEDOMS, RELEASING OPPOSITION LEADERS, OR ALLOWING NATIONAL ELECTIONS TO TAKE PLACE AS SCHEDULED WILL PROBABLY DEPEND ON SEVERAL FACTORS: (A) THE SUPREME COURT VERDICT. THIS COULD STILL GO AGAINST MRS GANDHI. IF IT DOES, THE ELECTION COMMISSIONER COULD EXONERATE HER, OR SHE COULD USE HER MAJORITY IN PARLIAMENT TO LEGISLATE AWAY THE SIX-YEAR DISQUALIFICATION PENALTY.

IN EITHER EVENT, THERE IS WIDE

AGREEMENT SHE WILL NOT PERMIT HERSELF TO BE REMOVED FROM POWER.
(B) THE LAW AND ORDER SITUATION. WE ANTICIPATE THAT THIS
WILL NOT POSE MUCH OF A PROBLEM OVER THE UPCOMING MONTHS.
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THIS SITUATION COULD CHANGE, HOWEVER, IF HER POLITICAL OPPONENTS MANAGE TO ORGANIZE AND OPERAATE SURREPITIIOUSLY. SOME TURMOIL COULD FOLLOW IF MORARJI DESAI OR J.P. NARAYAN DIE FROM A FAST, OR IF STUDENTS BEGIN DEMONSTRATING WHEN COLLEGES REOPEN LATER THIS MONTH. A LURKING DANGER IS THAT THE SUPREME COURT ON APPEAL MAY RULE THAT SOME OF THE EMERGENCY MEASURES INITIATED ARE UNCONSTITUTIONAL. (C) INTRA-CONGRESS DISSIDENCE. THE PROCLAMATION OF EMERGENCY

SUPPRESSED DISSIDENTS. FROM ALL REPORTS, RAM IS LYING LOW--AND HAS LOST CONSIDERABLE PRESTIGE AS A RESULT OF HIS TRIMMING--AND NO CONGRESS LEADER IS PREPARED TO BRAVE THE EXTRA-ORDINARY POWERS NOW IN MRS GANDHI'S HANDS IN A HOPELESS BID TO MOBILIZE THE PARTY AGAINST YVR.

- 2. MRS GANDHI'S PROBABLE CONCERN ABOUT HER INFLUENCE AND PRESTIGE, WHICH WERE WANING BEFORE JUNE 26, WILL ACT, HOWEVER, AS A PRESSURE TO CONTINUE THE "INTERNAL" EMERGENCY. THIS WOULD BE TRUE EVEN IF BARS ON PRESS AND POLITICAL FREEDOMS WERE TO BE RELAXED, OPPOSITION LEADERS RELEASED, OR ELECTIONS HELD. THE RETAINED EXTRA-ORDINARY POWERS CAN BE USED TO CONTAIN OPPOSITION OR CRITICISM, TO BACK UP AGREED "GROUND RULES" IN THE NEW POLITICAL SITUATION, AND INTIMIDATE PEOPLE OR GROUPS WHICH CARRY INFLUENCE IN INDIAN PUBLIC LIFE, WHETHER THEY BE IN BUSINESS, GOVERNMENT, POLITICS, (INCLUDING CONGRESS), OR ELSEWHERE.
- 3. WE ANTICIPATE THAT MRS GANDHI WILL, THEREFORE, PROCEED CAREFULLY AND PRAGMATICALLY IN THE POLITICAL AS WELL AS THE ECONOMIC AREA. (WE HAVE NOTED IN NEW DELHI 8831 THAT NONE OF THE REFORMS IN HER ANNOUNCED ECONOMIC PACKAGE HIT AT THE POCKETBOOK OF THE FARMERS LOBBY THAT UNDERPINS CONGRESS SUPPORT IN EVERY STATE. IT DOES NOT CALL FOR AN AGRICULTURAL INCOME TAX OR NATIONALIZATION OF INDUSTRIES.) SHE WILL ATTEMPT TO ILLUSTRATE EARLY THAT THE NEW SYSTEM CAN DELIVER WHERE THE OLD "SOFT" STATE COULD NOT IN FIGHTING INFLATION, IMPROVING GOVERNMENT ADMINISTRATION AND EFFICIENCY, INCREASING AGRICULTURAL AND INDUSTRIAL PRODUCTION; AND IMPROVING LAW AND ORDER.
- 4. MRS GANDHI'S "INTERNAL" EMERGENCY CARRIES WITH IT SIGNIFICANT DISADVANTAGES AS WELL AS DAVANTAGES. HER NEW CONFIDENTIAL

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POWERS WILL PROBABLY PERMIT HER TO MAKE SOME GAINS ON THE ECONOMIC FRONT, PARTICULARLY IF THE MONSOONS ARE GOOD. THE ARREST OF OPPOSITION LEADERS AND PARTY WORKERS AND HER MOST VOCAL CRITICS IN CONGRESS, AND CENSORSHIP WILL MINIMIZE ACTIVE RESISTANCE TO HER MOVES. THE RAPID GROWTH IN THE PARA-MILITARY AND INTELLIGENCY UNITS IN RECENT YEARS, AND THE APPOINTMENT OF PEOPLE PERSONALLY LOYAL TO HER TO HEAD THEM (SEE A-475 DECEMBER 20, 1974 "AUTHORITARIAN DRIFT IN INDIA"), PRESENTS HER WITH FORMIDABLE ASSETS TO CRUSH DISSENT. THE ARMY, HEADED BY A GOOD PROFESSIONAL SOLDIER WHO IS ALSO A FELLOW KASHMIRI BRAHMIN, WILL BE HAPPY TO REMAIN OUT OF "POLITICS." THE CULTURAL PASSIVITY OF THE INDIAN MASSES, AND THE GEOGRAPHIC, LINGUISTIC, AND ETHNIC COMPARTMENTALIZATION OF INDIA WILL ALSO WORK TO LIMIT DISSENT

## 5. MRS GANDHI'S NEW CONTEXT OF AUTHORITARIANSIM PROVIDES

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**ACTION NEA-10** 

INFO OCT-01 EUR-12 EA-06 IO-10 ISO-00 NEAE-00 SSO-00

NSCE-00 USIE-00 INRE-00 AID-05 EB-07 COME-00 AGR-05

PC-01 OMB-01 /058 W

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O P 031455Z JUL 75

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC IMMEDIATE 9690

INFO AMEMBASSY COLOMBO PRIORITY

AMEMBASSY DACCA PRIORUTY

AMEMBASSY ISLAMABAD PRIORITY

AMEMBASSY KABUL PRIORITY

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CINCPAC FOR POLAD

A SET OF PROBLEMS THAT ARE LIKELY TO HAVE MORE OF A LONG THAN SHORT RUN EFFECT. THE LOSS OF PERSONAL IMAGE AND PRESTIGE SHE HAS SUFFERED BY CLINGING TO POWER COULD BE EXACERBATED, AT LEAST IN SOME AREAS OF INDIA, SHOULD J.P. NARAYAN (WHO HAS AN UNASSAILABLE MORAL IMAGE IN INDIAN PUBLIC LIFE)

OR MORARJI DESAI DIE OF A FAST. IN TIGHTENING HER CHAIN OF COMMAND AND CRUSHING OPPOSITION, MRS GANDHI MAY CAP THE CONFIDENTIAL

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IMPORTANT POLITICAL SAFETY VALVES THAT DEMOCRACY PROVIDED TO PLURALISTIC INDIA, POTENTIALLY HEIGHTENING RATHER THAN SUPRESSING REGIONAL SEPARATISM. AS REPORTED REFTEL, SHE HAS ALREADY BEGUN TO RELY ON CLOSE AND TRUSTED BUT INEXPERI-ENCED ADVISORS WITHOUT GENUINE POPUAL BASES. SHE MAY FIND IT INCREASINGLY NECESSARY TO APPOINT TRUSTED COLLEAGUES OR RELATIVES TO KEY POWER SLOTS, GRADUALLY DISSIPATING THE CONSENSUS APPROACH NEHRU STARTED AND NURTURED IN THE 1950'S. THIS IN TURN COULD LEAD TO THE SLOW ISOLATION OF THE PRIME MINISTER FROM PMPORTANT OPINION CENTERS, HEIGHTEN RESENTMENT AGAINST HER AND ESPECIALLY THOSE AROUND HER, AND STRENGTHEN THE BATTLE LINES BETWEEN GROUPS ATTEMPTING TOADVISE HER. MRS GANDHI WILL BE FACING THE SAME OLD SEEMINGLY INTRACTABLE ECONOMIC PROBLEMS SHE FACED BEFORE THE EMERGENCY, AND, ALTHOUGH IN THE SHORT VIEW, ATTENDANCE AND ACTIVITY IN BUREAUCRATIC INSTITUTIONS OF GOVERNMENT MAY IMPROVE AND BE INVIGORATED, IN THE LONGER RUN THE EMERGENCY MAY STULTIFY INITIATIVE AND ACTIVITY, PRODUCING NEW FORMS OF PETTY CORRUPTION AND HIGH-HANDEDNESS. WE HEAR FROM SOME AROUND HER THAT THERE IS GROWING CONSCIOUSNESS OF SOME OF THESE ADVERSE POSSIBILITIES AND THAT SOME MINISTERS AND BUREAUCRATS ARE WORKING ENERGETICALLY TO DEVELOP WAYS OF DEALING WITH AND AVERTING THEM.

6. MRS GANDHI WILL HAVE THESE PROBLEMS IN MIND AS SHE CHARTS HER AS YET UNDECIDED COURSE OVER THE NEXT SEVERAL MONTHS. OUR IMPRESSION AT THIS POINT, IS THAT SHE IS ATTEMPTING TO KEEP HER OPTIONS OPEN AND MOVE FROM DECISION TO DECISION, WEEK BY WEEK. SHE WILL PROBABLY AVOID ASSOCIATING HERSELF WITH ADVOCATES OF ANY SPECIFIC LINE OF ARGUMENT. THIS MAY PRODUCE CONTRADICTIONS AND ZIG-ZAGS IN HER DECISION MAKING IN THE WEEKS AND MONTHS AHEAD, AND WE WILL BE CAUTIOUS IN JUMPING TO CONCLUSIONS ABOUT LONG-RANGE IMPLICATIONS OF SHORT RANGE ACTIONS. ON THE FUNDAMENTAL ISSUE OF WHETHER MRS GANDHI WILL RETURN TO TRADITIONAL DEMOCRATIC FORMS, WE SUSPECT THE PROBLEM INCREASINGLY WORRYING INDIAN POLITICIANS WHO WISH TO THINK THE BEST OF THE PM EVEN NOW IS PRECISELY HOW SHE CANGET OFF THE TIGER EVEN IF SHE WISHES TO. SAXBE

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Margaret P. Grafeld Declassified/Released	US Department of	State EO Systematic	Review 06 JUL 2006

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**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

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Subject: ANALYSIS OF EMERGENCY: END OF THE FIRST WEEK SUMMARY: OVER THE MONTHS AHEAD, MRS GANDHI WILL BE PRIMARILY

TAGS: PINS, PINT, IN To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006